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Message Text

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14
ACTION EB-07

INFO OCT-01 AF-08 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 CIEP-01 FAA-00 /038 W
---------- 057514
R 090827Z DEC 76
FM AMEMBASSY BANGUI
TO SECSTATE WASHDC 8016
INFO AMEMBASSY ABIDJAN
AMEMBASSY COTONOU
AMEMBASSY DAKAR
AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE
AMEMBASSY LOME
AMEMBASSY LONDON
AMEMBASSY NIAMEY
AMEMBASSY NOUAKCHOTT
AMEMBASSY OUAGADOUGOU
AMEMBASSY PARIS

C O N F I D E N T I A L BANGUI 2368

E.O. 11652: GDS
TAGS: EAIR
SUBJECT: REVIEW OF AIR AFRIQUE POLICY

1. IN RESPONSE REFTEL, EMBOFF CONTACTED M. DANCAK, ICAO TRANSPORT ECONOMIST ASSIGNED TO CAE AND AUTHOR OF AIR TRANSPORT PORTION OF LATEST GOCAE FIVE-YEAR DEVELOPMENT PLAN, AND SYDNEY MOUTIA, SECRETARY-GENERAL OF OCAM.

2. THE CAE IS ONE COUNTRY WHICH IS MORE DEPENDENT UPON AIR AFRIQUE THAN VICE-VERSA. FOR AIR AFRIQUE, THE CAE IS A MARGINALLY-PROFITABLE MARKET FOR INTERNATIONAL TRANSPORT; FOR THE GOAE, AIR AFRIQUE IS ONE OF THE TWO LEADING CARRIERS IN INTERNATIONAL AVIATION (TRANSPORTING ONE-THIRD OF BANGUI'S TOTAL PASSENGERS AND FREIGHT) AND THE PROVIDER OF VITAL ASSISTANCE, INCLUDING TRAINING FOR CENTRAL AFRICAN MECHANICS, MAINTENANCE FOR CAE AIRCRAFT AT LONG-TERM REPAYMENT SCHEDULES, AND CREDIT FOR OFFICIAL GOCAE TRAVEL TO THE CURRENT TUNE OF CFA 1.5 BILLION
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($6 MILLION).

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3. FOR THIS REASON, AIR AFRIQUE HAS ENJOYED VIRTUALLY COMPLETE FREEDOM OF ACTION IN CAE, UNINFLUENCED BY GOCAE CIVIL AVIATION POLICIES. AIR AFRIQUE HAS EXPLOITED THIS SITUATION IN A NUMBER OF WAYS, INCLUDING: (A) EXERCISE OF DUOPOLISTIC PRICE-FIXING POWER (WITH UTA) TO CREATE HIGH TARIFFS BEARING A GREATER RELATIONSHIP TO MARKET DEMAND CURVES THAN OPERATING COSTS; (B) ASSURANCES OF AVIATION FUEL QUOTAS (NOW AT 30 THOUSAND LITRES) IN PERIOD OF FUEL SHORTAGES; (C) INFLUENCE OVER AIR SAFETY STANDARDS AND AIRPORT FACILI-
TIES; AND (D) EXERTION OF PRESSURE AGAINST COMPETITION, INCLUDING LOBBYING AGAINST ICAO-SUPPORTED REGIONAL COOPERATIVE FOR AIRFREIGHT TRANSPORT IN CENTRAL AFRICA.

4. ALTHOUGH THE CAE'S LANDLOCKED POSITION LOGICALLY IMPARTS AN ADDED SIGNIFICANCE TO INTERNATIONAL AVIATION, 'GOCAE'S POLICY IN THIS SECTOR REMAINS NEBULOUS. AS STATED IN THE LATEST DEVELOP-
MENT
PLAN, QTE THERE DOES NOT EXIST A NATIONAL ORGANIZATION CHARGED WITH ANALYSIS OF AIR TRANSPORT ECONOMICS OR DEVELOPMENT PLANNING IN CIVIL AVIATION UNQTE. WHEN GOCAE HAS FOCUSED UPON AIR TRANSPORT, THE CONCERN HAS BEEN WITH DOMESTIC SYSTEMS. WITH THE CESSATION OF OPERATIONS RECENT BY AIR CENTRAFRIQUE (THE CAE'S NATIONAL AIRLINE), THE CAE IS LEFT WITHOUT AN EFFECTIVE INTERNAL TRANSPORT SYSTEM FOR FREIGHT OR PASSENGERS. GOCAE IS SEEKING TO LURE OTHER AIRLINES INTO THE CAE, AND A COMPANY WILLING TO SET UP A SCHEDULE OF INTERNAL FLIGHTS MIGHT ALSO BE ABLE TO BREAK INTO AIR AFRIQUE'S AND UTA'S VIRTUAL MONOPOLY IN INTERNATIONAL FLIGHTS. GOCAE IS ALSO CONCERNED WITH ESTABLISHING MORE INTRA-FRICA FLIGHTS, ESPECIALLY EAST-WEST, ALTHOUGH THIS IS UNLIEKLY TO POSE A THREAT TO AIR AFRIQUE'S ROLE IN CAE WHICH DERIVES ESSENTIALLY FROM ITS SERVICES BETWEEN BANGUI AND PARIS.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUPPLEMENTAL AIRLINES, AIR ROUTES, TRANSPORT AIRCRAFT
Control Number: n/a
Copy: SINGLE
Draft Date: 09 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976BANGUI02368
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760455-0007
From: BANGUI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761256/aaaabvzr.tel
Line Count: 94
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 30 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 MAR 2004 by ShawDG>; APPROVED <16 AUG 2004 by KelleyW0>
Review Markings:

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US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REVIEW OF AIR AFRIQUE POLICY
TAGS: EAIR, CT, AIR AFRIQUE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006